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ClickOnDetroit.com

Panel Deadlocks Over Rule Change Allowing State Worker Layoffs

POSTED: 9:51 am EDT September 28, 2007
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LANSING, Mich. -- A state panel on Friday deadlocked over a rule change that would have let state workers be laid off up to 20 days if there's a government shutdown.

The 2-2 vote of the Civil Service Commission complicates efforts by Gov. Jennifer Granholm to lay off workers if a budget deal isn't reached by the time the new fiscal year starts Monday.

State employees protested the rule change inside and outside the commission meeting.

Union leaders said they were surprised by the vote. A rule change would have waived layoff notice requirements and other provisions in their union contracts. The state now may not be able to legally lay off any workers until sometime next month.

The Granholm administration wanted the change so it could act quickly in Michigan's fiscal emergency. No budget has been approved for the fiscal year that starts Monday, and it's possible the state may have to shut down if no deal is reached by weekend's end on how to fill a \$1.75 billion shortfall.

Some workers say the stalemate has been artificially created by the governor and Legislature. Michigan has more than 50,000 state employees, many of whom could be told not to come to work Monday morning.

Members of the Michigan State Police Command Officer's Association said Friday they've voted overwhelmingly to stay on the job if the shutdown occurs.

Unless directly ordered by the governor or their superior officers not to do so, the command officers -- who hold the rank of lieutenant or above -- are willing to serve without pay until the budget crisis is solved, the association said in a release.

"We feel the laying off of trained and dedicated officers is not in the best interest of the safety of the citizens of this state, and it runs contrary to the solemn oath these officers took when they became troopers," said Diane Garrison, the association's executive director.

Granholm did not say specifically in a televised address Thursday evening that she would continue to have state police on the job. But she did promise to continue some services.

"If a shutdown occurs, operations that protect the public's health and safety from immediate danger will continue," she said.

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State Legislature Counts Down Chaos

State budget talks to resume at 1 p.m.

Negotiators consider sales tax on services

September 28, 2007

By CHRIS CHRISTOFF

FREE PRESS LANSING BUREAU CHIEF

LANSING -- Despite hours of negotiations and a looming state government shutdown, the House and Senate were unable to reach a compromise on the 2007-08 budget, although leaders continued discussions into the early morning of Friday.

The two chambers adjourned at 1 a.m. Friday and were scheduled to come back into session at 1 p.m. Friday.

Advertisement

Even though there was no agreement on how to fix a \$1.75 billion budget deficit, lawmakers said that wasn't a sign that no deal could be reached.

"It's not a bad sign. Nobody is throwing up their hands. Everybody is still talking and trying to pin down the final details," said Sen. Ron Jelinek, R-Three Oaks.

But state Rep. Andy Meisner, D-Ferndale, said he's frustrated at the lack of progress as an Oct. 1 deadline approaches.

"I think they're working, but not with the sort of urgency that is needed," he said.

Senate Minority Leader Mark Schauer, D-Battle Creek, said even if a deal was in the works, it would take hours to draft bills to vote on.

Schauer said he believes the final deal will include an income tax increase and a sales tax on some services.

"We've absolutely got to get it done today," he said early Friday morning.

Gov. Jennifer Granholm told anxious television viewers hours earlier that she and key legislators were "on the verge" of a breakthrough to resolve the eight-month-long stalemate. She urged a bipartisan agreement.

Legislative leaders continued what were described as earnest discussions to raise the state income tax, expand the sales tax to some services and come up with perhaps \$400 million in spending cuts.

Services that could face the state's 6% sales tax include country and yacht club dues, dry cleaning and cable or satellite television services.

"Progress is being made," announced Senate Majority Floor Leader Alan Cropsey, R-Dewitt, as the Senate recessed indefinitely shortly after 11 p.m.

Both the House and Senate stood at the ready should an agreement unfold and they be asked to vote.

Leaders also continued to negotiate long-term spending reforms to trim the soaring costs of school employee health care and pensions and to limit welfare benefits.

State Budget Director Bob Emerson said early this morning that, even if a deal is reached before midnight Sunday, the state would have difficulty paying some bills and other obligations next week, the first week of the new fiscal year. He said it would take a few days to reprogram state computers to reflect new budget figures.

In her five-minute television statement, Granholm chided -- but not by name -- some Republican leaders for demanding unreasonable cuts to state services.

State budget talks to resume at 1 p.m.

But she gave no indication she would compromise on her previous position that solving the \$1.75-billion deficit can't include more than \$300 million in cuts.

The Senate's top Republican went on television immediately after the governor and criticized her for using the threat of a shutdown to unduly pressure lawmakers and frighten the public.

"Take the threat of government shutdown off the table," Senate Majority Leader Mike Bishop urged.

Worried lawmakers, lobbyists and state workers took some measure of hope that a deal might yet be struck.

Granholt's and Bishop's televised remarks underscored a continuing dispute whether the state has authority to keep any services running without a budget legally enacted and whether a temporary budget would help the Legislature agree on a budget, having failed to do so for eight months.

Discussions Thursday centered on raising the state income tax to between 4.3% and 4.6% and extending the sales tax to some services as a partial solution to the state's \$1.75-billion deficit, lawmakers close to the negotiations said. Also under discussion was the size of spending cuts.

A stern Granholt said a temporary budget extension was not acceptable unless it included new taxes to cover the growing deficit.

"All a continuation budget does is continue to spend money we don't have," Granholt said in her address.

She urged lawmakers to stay at the Capitol until an agreement is reached. "We need to put loyalty to Michigan above loyalty to party."

Bishop said Republicans were prepared to work the weekend for an agreement. "It won't be easy, but it will be a lot easier if we remove the threat and drama of government shutdown and focus on the job at hand."

Some key lawmakers believe, if a deal is reached to raise taxes and establish revenues for 2007-08, a continuation budget over the weekend could avoid a shutdown, though some state functions would be disrupted.

Immediately after the two TV appearances, a smiling Bishop joined House Speaker Andy Dillon, D-Redford Township, and Lt. Gov. John Cherry, Granholt's chief negotiator, in a private room.

With a new state fiscal year days away, Granholt made a rare last-minute TV appeal -- her first as governor involving a political issue -- saying she had ordered state departments to gear up for a shutdown Monday if no agreement was reached, though a deadline remained vague.

Administration officials had set midnight Thursday as a deadline for the Legislature to set a 2007-08 budget in order to avert a disruption in state services.

Granholt urged a compromise, but said she would not accept a deal that included large spending cuts affecting education, public health programs or public safety. "I will not accept a budget with massive cuts," she said, "so the possibility of a shutdown remains real."

Bishop said Granholt was using a shutdown as an unnecessary threat to frighten the public. He continued calling on her to sign a temporary budget extension of two weeks or 30 days to ease pressure on the Legislature.

Sen. Michael Switalski, D-Roseville, said he was relieved that Granholt and Bishop took only mild partisan shots. "They could have called each other every name in the book. That would have turned this into a partisan divide."

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Friday, September 28, 2007

Governor urges Lansing to avert shutdown

Budget talks adjourn until 1 p.m. today.

Mark Hornbeck, Gary Heinlein and Charlie Cain / Detroit News Lansing Bureau



Al Goldis / Associated Press

"Like you, I'm angered by these months of inaction," says Michigan Gov. Jennifer Granholm.

LANSING -- Lawmakers and Gov. Jennifer Granholm continued into early Friday to try to reach a deal that would avoid a partial state government shutdown next week, reporting enough progress that they could get some sleep.

Both the Republican-led Senate and Democrat-led House broke about 1 a.m. but were expected to reconvene at 1 p.m. It appeared negotiators may be getting closer to a deal to fill a \$1.75 billion shortfall in the next budget year through tax increases and spending cuts.

"I believe rested heads do a better job," said Senate Appropriations Chairman Ron Jelinek, R-Three Oaks, who was confident a deal would be completed by Sunday.

"It's not done," he said. "It's been started. The devil's in the details."

Granholm told a statewide television audience Thursday night that she's unhappy but optimistic about negotiations to balance the state's budget, and also warned that many state services will be shut down at midnight Sunday if lawmakers can't put partisan interests aside.

"Like you, I'm angered by these months of inaction," a resolute Granholm said, using a five-minute speech during the evening news to directly address residents.

On Thursday, Granholm said progress had been made in the previous 48 hours.

"There are signs we are on the verge of achieving an historic agreement on a budget that makes Michigan competitive and that protects our people," she said.

Her speech, followed by the rebuttal of Senate Majority Leader Mike Bishop, capped a day in which partisan finger-pointing intensified, budget talks continued, and the House and Senate remained in session.

In his address, Bishop did not suggest the sides were nearing accord. He urged the governor to endorse a Senate-passed plan to provide for emergency spending approval while negotiations stretch into October.

"Take the threat of government shutdown off the table," he said. "Do the right thing; do not shut this government down."

Bishop, R-Rochester, later told reporters that the two sides were close to an agreement, but declined to be specific.

On Thursday afternoon, he said if it appeased the governor he would be open to shortening the 30-day continuation to as little as three days. Granholm said a continuation budget would only continue deficit spending.

Granholm put the blame on the Legislature, while Bishop pointed a finger at the governor. Specifically, the governor said the Legislature is shirking its one constitutional responsibility, and Bishop countered that Granholm is infusing the budget talks with politics.

Granholm, speaking from her ceremonial office at the state Capitol, repeated a warning she has sounded in recent days.

"Until legislation is passed that protects people and the priorities that are critical to making Michigan competitive, the possibility of a government shutdown remains real," Granholm said.

She said while state parks and Secretary of State offices will close, "our prisons will keep felons behind bars. We'll maintain vital services for our most vulnerable."

A detailed list of shuttered services is to be available today at www.michigan.gov.

Granholm offered no clues as to how the state would pay for essential services during a shutdown. She said, "The constitution is clear: Without a balanced budget in place, state government cannot write a single check."

Lawmakers were notified Thursday by House and Senate officials that a shutdown would also mean no pay for them. Bishop said he's been in contact with Detroit Mayor Kwame Kilpatrick, who said he's concerned the impasse might scuttle two large conventions and mar the opening of the MGM hotel.

The Michigan Gaming Control Board on Thursday said a shutdown would close Detroit's three casinos, costing the city and state about \$450,000 each per day.

Speculation in the halls of the Capitol ran wild during the day in which proposals went back and forth between House Democrats and Senate Republicans. The two sides were about \$200 million apart on the \$1.75 billion deficit, and the remaining outstanding issue was reform of public employee health care.

A steady parade of lawmakers went in and out of Granholm's office but had little to say about any progress.

Lending evidence to the partisan nature of the Lansing standoff was a memo sent Thursday from Michigan Republican Party Chairman Saul Anuzis to top GOP legislative leaders.

"Cutting a deal or 'capitulating' to Granholm's demand -- even a little bit -- would be foolish," Anuzis wrote, citing results from voter polling done earlier by the party that

found opposition to the governor's plan to increase the income tax rate from 3.9 to 4.6 percent.

Anuzis also wrote that the polling showed state residents assign equal blame to the Democratic governor and Republican lawmakers for the threatened shutdown, "indicating that we could be badly hurt (politically) unless we move expeditiously to shift the blame to her."

An income tax increase figures prominently into the budget solution, as do budget cuts and government reforms. Granholm and House Democrats favor a boost in the levy from 3.9 percent to 4.6 percent, which would generate \$1.1 billion. Senate Republicans are talking about an increase of about 4.3 percent.

A joint House-Senate committee charged with finding an income tax compromise met briefly Thursday morning and had not returned into session by evening.

Meanwhile, a private study group released a report Thursday that concluded a government shutdown would raise serious constitutional questions about the state's ability to continue spending money past Sunday.

"The group agreed that a legal authority does not exist for the state to make expenditures without a budget for the 2007-08 fiscal year and that any shutdown or a failure to properly adopt a budget and operate within the constitution will have serious long-term and negative effects on the state," said the panel headed by Lansing economist Patrick Anderson.

The Associated Press contributed to this report. You can reach Mark Hornbeck at (313) 222-2470 or mhornbeck@detnews.com.

Granholm's address and shutdown effects

September 28, 2007 - 7:47AM

LANSING (NEWSCHANNEL 3) - The possibility of a partial government shutdown is very real with the state budget still in crisis.

Governor Granholm made her point in a live address Thursday.

"The constitution is clear, without a balanced budget in place state government cannot write a single check," said Granholm.

"I'm asking you, governor to do the right thing. Do not shut this government down. The people of this state and quality of our life should never ever be used as a pawn in the political process," said Senate Majority Leader Mike Bishop.

We are just two days from a possible shutdown, and Governor Granholm has given the order to get the ball rolling.

It's all up to lawmakers and the Governor, but can they come to an agreement in time?

If they can't find a way to fill the budget shortfall, here's what we're facing. Secretary of State branches... closed. State parks... closed. Road construction... idled. Lottery... ended.

The Governor says a full list will be out Friday.

Without a spending plan in place payments equaling about 260 million dollars won't be made on October first.

Talks Thursday evening centered around an agreement that everyone insists is close. It would end the budget crisis.

Of course earlier Thursday Governor Granholm addressed the state laying out her perspectives, which drew a response, but no one was truly harsh in their assessment.

"I will not accept a budget that makes massive cuts to education, health care and public safety. Until legislation is passed that protects the people and priorities that are critical to making Michigan competitive the possibility of a government shutdown is very real," said Granholm.

Many families and local government leaders are on edge with all the uncertainty. They are not sure exactly what state checks will come in and what programs will run if a shutdown takes place. The Governor has said services that protect health and safety will be maintained.

Prisons will stay open, state police patrols will continue. But, it won't be until Friday that other state agencies release information about their programs.

Some early school programs in Holland could be in serious trouble of being cut.

The programs help four year olds get a good start, but they are paid for entirely by state aid. A similar preschool in Clare County was forced to shut down Thursday.

The Lakeview School in Holland says it can last 30-days, but after that, there's simply not enough money.

"However it seems to be more about a political party and a fight. Within that arena then it is the kids and what they need. So I would encourage them to get it done," said Principal Ellen Westveer.

There's a big conference call for educators in Ottawa County Friday afternoon. Many are hoping to find out if public schools will be affected.

There are similar concerns for families who depend on state checks for welfare, foster care and adoption assistance.

Among those watching the clock tick down to a possible shutdown are families of adoptive children. That's because the state pays monthly adoption subsidies to help cover the costs of raising kids.

For the Morris family of Hastings that's more than two thousand dollars a month for their five adopted children. In all, they're parents of eight.

As the budget stalemate continues in Lansing, this family says they're the ones caught in the middle.

"Anybody that's trying to set up a household budget or finance a house, anything like that, when you start counting on that money to be there, and then, all of a sudden, there's a possibility of that not being there, it's a scary thought," explained David Morris, father of the eight children.

The state's Department of Human Services says it will announce whether or not adoption subsidies will be affected by a shutdown.

In 2003, the most recent numbers available, more than 2,600 children were adopted in Michigan.



Budget deadline nears for lawmakers

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LANSGING (AP) -- Lawmakers and Gov. Jennifer Granholm said Thursday night they were still working on a deal to avoid a partial government shutdown next week, but the specter of a shutdown still hovered over the talks.

Granholm said in a five-minute televised address that played on TV and radio stations around the state Thursday evening that she was taking the first steps toward shutting the government down, but remained hopeful an agreement could yet be reached Thursday night.

"Productive negotiations are now under way in my office that could head off this government shutdown while there's still time. We have made significant progress in the last 48 hours. We've narrowed our differences," she said from her ceremonial office in the state Capitol.

She warned, however, that she would not back extending the current budget into the fiscal year that starts Monday and said lawmakers needed to pass a mix of cuts, tax increases and government reforms in the next few hours.

Senate Majority Leader Mike Bishop, the lead Republican in budget negotiations, said during his televised address from a Capitol hallway that Granholm didn't need to bring the state to the brink of a shutdown.

"This is a defining moment in our state's history," he said, urging the governor to do more than just continue government policies of the past. "It is your responsibility to take the right action. We demand it," he told her.

Bishop, who said progress had been made, urged all sides to get back to negotiating Thursday night, adding, "It will be a lot easier if we take the threat of a government shutdown off the table."

Although Senate Republicans have passed a bill calling for a 30-day extension, Bishop said he could live with something shorter if a shutdown was avoided.

He told reporters he asked the governor for at least two more weeks.

Granholm said Thursday night that she wouldn't support a temporary extension unless a budget deal includes higher taxes to support public safety, education and health care, a stance most Democratic lawmakers back. Granholm says a budget extension would cost the state \$125 million each month, forcing the state deeper into debt.

Bishop said a shutdown, though, would cost the state's funding pot for K-12 schools nearly \$2 million a day in lost lottery revenue and \$300,000 a day in lost revenue from Detroit casinos. The city of Detroit would lose \$435,000 a day if the casinos were closed, he said.

Some negotiators said they had to break the stalemate Thursday so the state didn't miss deadlines for issuing some checks needed to continue work next week. Others say they might have until Sunday to craft a temporary deal and avoid a partial shutdown. A continuation budget hasn't been adopted in Michigan since 1980, so there's no clear roadmap on how to do it.

No budget legislation has been passed for the upcoming year and officials have not resolved how to fill a projected \$1.75 billion shortfall.

Granholm said in her address that essential services would continue.

"Our prisons will keep felons behind bars. We'll maintain services for our most vulnerable citizens," she said.

Talks have focused on possibly raising income tax rate, now at 3.9 percent. Granholm and most Democrats support raising it to 4.6 percent, but Republicans have said they want to cut the size of government before they consider any tax increase. Tax increase proposals have failed to pass both the Republican-controlled Senate and Democrat-controlled House.

Other tax options include a sales tax on services and several product-specific taxes. Spending cuts and government restructuring proposals also are part of negotiations, as are moves to end some tax exemptions that benefit specific businesses.

Social service groups are concerned about how a shutdown might affect a wide range of programs including child support, welfare, adoption,

child care and protective services and foster care.

"A government shutdown raises grave concerns about the widespread impact on Michigan citizens who need state-administered programs to keep their families fed, housed, healthy and their children in school," the Lansing-based Michigan League for Human Services said in a statement.

Rep. Ken Horn, R-Frankenmuth, said he was concerned a shutdown could leave drawbridges over Michigan waterways unmanned with the drawbridges up.

He said that raises concerns that ambulances and other emergency vehicles won't be able to cross.

"In the event of a shutdown, a contingency plan to ensure access to our many state-operated bridges must be in place," Horn wrote in a letter to state transportation and police directors.

A group of local budget experts issued a memo Thursday warning that the state could see its bond rating fall even further and the state's ability to legally operate be crippled if a shutdown occurs.

"What's the legal basis for operating without a budget? This is something that has got to be discussed so there is not chaos on October 1," said East Lansing economist Patrick Anderson, a member of the group. "This is one citizen not willing to go to bed Sunday night not knowing who will get paid to run the prisons on Monday."

Associated Press Writers David Eggert and Tim Martin contributed to this story.

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Photos



Bishop ASSOCIATED PRESS



Granholm AP



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(Photo by ROD SANFORD/Lansing State Journal)

Feeling the impact: Tables fill during lunch hour Thursday along Washington Square in Lansing, a common sight downtown. But business owners say any government shutdown will hurt their operations. Some say they would schedule fewer employees.

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Shutdown would jolt downtown: Local businesses could take hit with state workers not reporting to Capitol offices

Jeremy W. Steele
Lansing State Journal

It used to be people would joke about being able to fire a cannon down Washington Square after 5 p.m. without hitting anybody.

Come Monday, downtown business owners are worried someone will make that joke about the noon hour.

Sidewalks usually bustling with state workers could be barren if squabbling political leaders force Michigan's government to shut down.

"They're our bread and butter," Joe Mrozinski, owner of Jalapeno's restaurant, said of state employees. "Because this is where they work, (a shutdown) is going to affect the Lansing area worse than other cities in the state."

Gov. Jennifer Granholm during a televised address Thursday said she'll start shutting down state services today if the Legislature doesn't put forward an acceptable spending plan for the budget year that starts Monday.

GOP legislators want the governor to OK a 30-day continuation budget, but Granholm said Thursday night that she wouldn't support a temporary extension unless a budget deal includes revenue to support public safety, education and health care.

"The Legislature has had more than enough time to avert this crisis by adopting a balanced budget."

Senate Majority Leader Mike Bishop, the lead Republican in budget negotiations, said during his televised address from a Capitol hallway that Granholm didn't need to bring the state to the brink of a shutdown.

"It is your responsibility to take the right action," Bishop said. "We demand it."

The shutting down of state services would idle most of the 14,000 state employees who work in the Lansing area, many of whom can be found in downtown office buildings.

That likely would send at least a short-term ripple effect through the local economy.

The city of Lansing collects \$330,000 to \$494,000 a month from the state for employees' city income taxes, according to the city treasurer's office. Unpaid workers would mean less tax revenue for city operations.

And for every two or so state government jobs in the area, there's likely another job that's been created, University of Michigan economist Don Grimes said.

It's unlikely any of those spinoff jobs, mostly service-related positions, would be permanently lost because of a short-term government shutdown, he said. But businesses that rely on state workers as customers are sure to feel a pinch.

"It's up to them as to how long they can survive without that kind of business," he said.

Core customers

Downtown, most business owners agree they'd be going without their core customers.

"It would definitely hurt," said Glenda Osterhouse, an owner of The Peanut Shop.

On holidays when state workers are off, she drops from five employees to three because sales are slower - a standard she's likely to follow if state workers are laid off.

Other businesses might close or reduce their hours.

That's because businesses count on state workers to regularly make the trek into downtown shops, restaurants and coffee houses.

"I have lunch a couple days a week," said Department of Human Services employee Dawn Campbell on Thursday as she walked back to her office with a drink in one hand and a new book from Capital City Books and Magazines in the other.

Sticking it out

Downtown won't be completely vacant, which is why many owners plan to stick it out and keep their regular hours - at least for now.

But by comparison, downtown's largest private sector employer, Accident Fund Insurance Co. of America, has only about 600 workers. Thomas M. Cooley Law School adds another 450 or so, along with about 3,000 students.

"Accident Fund, Cooley, the city - they're all valuable customers," said Barb DeRose, owner of Barb's Hallmark. "But we'd certainly miss state employees if they were gone."

Contact Jeremy W. Steele at 377-1015 or jwsteele@lsj.com.

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State shutdown looms over area services

and **SHERI McWHIRTER**
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Traverse City -- State employees and customers are anxious about a looming government shutdown, but Mary Marois is especially worried about a host of programs offered by the Grand Traverse/Leelanau Department of Human Services.

Among them: child protective services, cash assistance, food stamps and Medicaid.

"I'm pretty demoralized about it," said Marois, department director. "I'm pretty concerned that people potentially can get hurt, and I'm very, very worried and I wish that it would be decided."

The fates of local state services are in the air while contingency plans go into effect for a possible government closure Monday. That means certain services could stop for citizens and paychecks might disappear for state employees.

Some people waited an hour and a half Thursday morning at the Secretary of State branch on Barlow Street in Traverse City to take care of business.

Office traffic typically spikes at the end of the month, so it's tough to tell how many people came in anticipation of a shutdown, branch manager Tracy Blake said.

James DeLong's birthday isn't until October 19, but the Traverse City resident wanted to renew his license plate before it's too late.

"I wasn't sure and I hate to take that chance," he said.

Drivers in Gaylord don't want to risk it, either.

Sharon Bozzer of Gaylord said she's glad she didn't wait to renew license plates until next week.

"There's going to be a lot of people yelling," she said, if citizens find the SOS office shuttered.

Roadwork imperiled

Motorists may also notice the state shutdown on the roads.

Bob Felt, spokesman for the Michigan Department of Transportation, said without a budget on Monday, road construction projects -- from filling potholes to rebuilding highways -- could be halted.

Lt. Bill Elliott at the Michigan State Police post in Traverse City isn't sure what will happen Monday.

"We're being told that if there is a government shutdown that essential services would still continue," he said. "The one thing we haven't been told is exactly what that means for us."

Road patrol hasn't been affected during previous budget problems, but administrative employees, including Elliott, temporarily could be laid off, he said.

Grand Traverse County officials decided Thursday to continue providing services through the county health department if a shutdown occurs. Some of those services are partially funded by the state.

County Administrator Dennis Aloia told commissioners there's a chance the state won't reimburse the county for those costs once the state shutdown is resolved.

State shutdown looms over area services

"That's what the fund balance is for," Aloia said.

Commissioners asked that the department hold off on any discretionary spending, but continue to provide health services.

Aloia said at this point he doesn't know what other departments will be affected, but it could be a problem for every county program that uses state money.

Schools would turn to fund balances

Traverse City Area Public Schools last year received \$7,085 per student from the state -- the base funding amount -- with an additional \$23 per child that was given to the lowest-funded districts.

The first payment of the school year is scheduled for Oct. 20. If it doesn't come, TCAPS would have to dip into its operating budget and draw from its fund equity reserves, said Paul Soma, the district's chief financial officer. About \$12 million is available, which could last through December, he said.

"Initially, it's looking like most schools will do everything in their power not to close," he said. "We have a couple months before we're forced to go there."

Northwestern Michigan College budgeted \$8.4 million in state funding this year, but could get by if the state withholds its \$768,000 payment next month, spokesman Paul Heaton said.

He was more worried about NMC's overall budget allocation than a temporary shutdown. He said college officials would have to re-evaluate their budget if the state decides to cut the \$8.4 million, the figure the college received last year.

Campgrounds to close

Otsego Lake State Park near Gaylord may close or cease to provide camping for a time, but it's not that big of a deal because there aren't many campers right now, park manager Dennis McDermott said.

Campers Larry and Vida Ward of Taylor packed up their things on Thursday at the park. They were glad they hadn't planned to stay past Monday and possibly get kicked out.

"We'd be really upset after having driven that far," Vida Ward said.

Bow-hunting season for deer should still begin as scheduled Monday, even if the state Department of Natural Resources shuts down, said Lt. Dean Molnar, a conservation officer.

"It's just the conservation officers won't be working," Molnar said. "We're working on contingency plans to address serious poaching instances that are called in."

Otherwise, DNR biologists, trail coordinators, fishery specialists and secretaries won't be on the clock come Monday morning.

Staff writers Lindsay Van Hulle and Brian McGillivray contributed to this report.

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Photos



Three-year-old Caleb Piper receives a piggy back ride from his dad, Ben Cooke, in the parking lot of the Secretary of State office Thursday morning in Traverse City. Cooke, a Kingsley resident, was waiting to be called for his license plate. Secretary of State offices are just one of several government agencies that may be forced to temporarily close their doors if there is a state government shutdown. Record-Eagle



Shock, outrage emerge in case

Friday, September 28, 2007

By Danielle Quisenberry

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To some who know him, surprise does not adequately describe the emotion they felt when Kirk Coleman was arraigned this month on charges he beat and sexually assaulted his infant daughter.

"Stunned, shock, disbelief are more accurate," said Kyle Detmers, the assistant/youth pastor at Cement City Baptist Church, which Coleman and his family have attended for years. "Kirk has always been really quiet, tender, caring."

Coleman, 27, comes from a family of six, attended Jackson Community College and served with the Army in Iraq. He has no criminal record.

The charges he faces are not consistent with his background, said his lawyer, Dennis Hurst, who has known the Coleman family of Columbia Township for about 25 years.

Police paint a different picture. They allege Coleman sexually assaulted and beat his 3-month-old daughter between Aug. 26 and Sept. 14, leaving her with 17 broken bones and head injuries. Police said they believe Coleman, left with the baby as her mother went to work, beat her over two days.

She was unconscious when taken to the hospital Sept. 15, police have said. After more than a week on a ventilator, she has been breathing on her own this week at the University of Michigan Medical Center in Ann Arbor, police said.

Coleman is charged with first-degree criminal sexual conduct and first-degree child abuse. He is not the first man without a criminal history charged with violence against his child, said Jackson County Assistant Prosecutor Allison Bates, who pointed to two other recent cases.

The crime has sparked much outrage in the area, inspiring people to picket outside the courthouse and send hate mail to Hurst and phone the family, Hurst said.

As a result, Hurst this week filed a motion to control or limit statements made by police contrary to a professional code of ethics. He said police should only be making statements of fact, not conclusory statements that he committed the crime.

Because of the uncommon nature of the alleged offenses, community members are enraged and may have already deemed Coleman guilty, impeding his right to a fair trial, Hurst said.

Jon Johnston, deputy director for Blackman Township Public Safety, said today the case is with prosecutors and he will defer comment to them. A hearing on the motion is scheduled for Tuesday.

In the meantime, Coleman is out on bond, staying at his parents' house near Lake Columbia. He and members of his family Thursday were redoing the roof of the house.

They referred all comment to Hurst.

Detmers -- who married Coleman to Ashley Rogers on June 23 -- said Coleman, son of Thomas and Laurena Coleman, was active in the church youth group and home-schooled by his mother, a woman neighbors called sweet.

She would bring over cookies or trinkets on special occasions, said Karl Arvidson, who lives across the street from the family. Arvidson, who never met Kirk Coleman, said he was "shocked" to hear of the news.

After his home education, Coleman went to Jackson Community College for two years.

Moved by the events on Sept. 11, he enlisted in the Army, Hurst said.

He served with the 1-504 82nd Airborne Division of Fort Bragg, N.C., for three years before he was honorably discharged in March 2006, said Blackman Detective Chris Boulter, who saw his discharge papers.

Coleman's unit, a parachute infantry regiment, was deployed to Iraq for about five months in January 2004 and for four months in October 2005, said a representative from the division's public affairs office.

"To the best of my knowledge, (his military record) is pretty pristine," Boulter said.

After his discharge, Coleman worked for a Columbia Township painting company and married Rogers, of Fayetteville, N.C., in a small ceremony at the Cement City church, Detmers said. The two met while he was in the military, he said.

Their baby was born shortly before the ceremony, Hurst said.

Together, the young family had been living in a Blackman apartment. Since the baby was taken to the hospital on Sept. 15, Rogers and her mother have been in Ann Arbor, said Rogers' father, Wade Rogers.

With the baby, Coleman always was "very tender," Detmers said.

"He was very much in love with his wife, and still is," the pastor said. "He loves his baby. He is a pretty simple guy."

Hurst said he truly believes Coleman did not commit the crimes.

Ryan Wise, who lives near the Coleman family and works with one of Coleman's brothers, said Kirk Coleman seemed "a little strange," but was surprised to hear of the allegations against him.

"I don't know what would trigger that," he said.

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09/28/2007

Jury: Smith guilty of second-degree murder

STACY LANGLEY , The Huron Daily Tribune

BAD AXE — “Justice was served for everyone — the community, the family and Nickolas Crowell.”

Huron County Prosecutor Mark J. Gaertner made that comment late Thursday night following the jury’s verdict in the Brandon Smith murder case.

After hearing three full days of testimony and closing arguments from Gaertner and Smith’s attorney Michael P. Manley of Flint, the jury left the courtroom to deliberate shortly before 6 p.m.

Prosecutors charged Smith, 22, with first-degree felony murder following the April 5 death of Smith’s girlfriend’s son, Nickolas “Nicky” Crowell, who was just 19-months-old at the time of his death.

While deliberations were under way, Smith who was unable to post his \$150,000 cash bond set by the court, was returned to his cell at the Huron County Jail. Family and friends on both sides of the case waited for word of a verdict.

At 9:20 p.m., after waiting more than three hours, those involved in the case filed back into the courtroom to hear the verdict.

Smith was escorted back into the courtroom where he took a spot next to his attorney and took in a few last words from Manley before the jury foreman stood. When the foreman read the “guilty” verdict on a lesser charge of second-degree murder, Smith appeared shocked.

Earlier Thursday while the jury was out of the courtroom, Manley and Gaertner agreed on jury instructions with Huron County Circuit Court Judge M. Richard Knoblock who presided over the case.

Manley told the judge his client did not want the jury to have the option to find him guilty of second-degree murder. He wanted to leave the jury with the option of first-degree murder, which carries a possible penalty of life in prison without the possibility of parole, or a not guilty verdict.

Knoblock heard from both Manley and Gaertner about possible charges but said after listening to the testimony in the case he would rule the jury should have the option of finding Smith guilty of second-degree murder and included the option on the verdict form.

Following the verdict Thursday night, Knoblock ordered the courthouse emptied. When the hallway quieted outside the courtroom, Bad Axe Police Department officers led Smith out of the courtroom and down the hall as he cried.

“They felt he did it,” said Smith’s attorney in response to the verdict. “We’re very disappointed (in the verdict). We worked very hard putting our heart and soul in to this case.”

Manley added while he and his client were disappointed, he “respects the jury’s verdict.”

Gaertner said Thursday's guilty verdict was in no way a win for anybody involved in the case.

"A guilty verdict is not going to bring back Nickolas Crowell."

As for the jury finding Smith guilty of second-degree murder instead of first-degree murder, Gaertner speculated there may have been some sort of a compromise by the jury, but said he was pleased with the conviction.

"He has been held accountable," he said. "We don't look at this as someone wins and someone loses. There are no winners here. Three families have been destroyed and Nickolas Crowell is dead."

Gaertner described the case as both difficult and circumstantial without a confession from Smith and no eye witnesses.

"They don't get any more circumstantial than this," Gaertner said.

During the trial both the prosecution and investigators in the case came under fire by Manley who told the jury repeatedly that investigators "rushed to judgment" accusing Smith and not looking at any other possible suspects even though three other people were with the child the day he was found dead.

"We've got big shoulders. If you can't stand the criticism (as a prosecutor or police officer) you're in the wrong job ... The jury figured out what happened," Gaertner said. "The Bad Axe Police Department and Huron County Sheriff's Department did a very good job on this case ... the jury rendered a fair and just verdict."

Bad Axe Police Chief John Bodis said he, too, was pleased with the verdict, saying earlier if the jury were to find Smith not guilty "there's no one else to look at."

Bodis gave credit to the work of his officers (lead detective Kevin Knoblock), the prosecutor's office (both Gaertner and Chief Assistant Prosecutor Stephen J. Allen) and the work of Huron County Sheriff's detectives (Ron Roberts and Richard Koehler).

"We feel we did a very good job with what we were handed. We didn't go chasing ghosts — we went chasing the evidence," said Bodis, adding it was a team effort from start to finish.

Gaertner said he spent "hundreds of hours or more" just preparing for the case, something that is typical in a case where someone is facing the possibility of life in prison.

"A 22-year-old is going to prison for a very, very long time," he said.

The charge of second-degree murder carries a possible sentence of up to life in prison with the possibility of parole.

Smith will be sentenced Nov. 5 in Huron County Circuit Court.

Before the verdict was handed down, Thursday's testimony included an inmate in the Huron County Jail who had been lodged with Smith.

The inmate, Larry Helm, came under fire by Manley as he exposed a long list of charges in Huron, Tuscola and Sanilac counties in which Helm wrote bad checks to dozens of businesses with nearly \$6,000 in bad checks to businesses just in Huron County alone.

Helm told the jury he wasn't offered anything by the prosecution to testify, telling the jury that Smith didn't confess anything to him but did say he hired the best attorney in the state of Michigan and the lawyer was going to prove he didn't do it and "push it off on the (child's) grandma (Brenda Walls who was in the apartment with the child on April 5).

"He made comments that the child was a hindrance. He referred to Nicky as a brat."

Helm also talked about bruises on the child's body and said Smith wasn't concerned about any marks that may have been found on the child after his death since Smith said he did CPR on the child "covering his (rear-end)."

Also testifying Thursday was Dr. Kanu Virani, forensic pathologist/deputy chief Oakland County medical examiner. Virani provided some of the most important testimony for the jury during the trial, giving the child's exact cause of death, extent of the child's injuries and the approximate time of death.

"Your goal is to find out who did it," Virani said. "My job is to help you." Virani conducted the autopsy April 6, the day after Nickolas Crowell was found dead in his crib at the Bad Axe apartment where Smith and Crowell's mother lived.

Allen questioned Virani Thursday about the injuries the child sustained.

Virani told the jury the child had bruising on the outside of his body, but two bruises stood out to Virani on the child's abdomen. Virani held up his fist and showed the jury that from the first knuckle to the last knuckle on his hands he found a bruise consistent with what could be the first knuckle mark and the last knuckle. The child's lower lungs were bruised, but it was a tear in the mesentery that holds the child's small intestine to the back part of his abdomen that caused the child to lose more than half of the blood in his body, killing him in just minutes.

"Once half of the body's blood is lost, you are dead," Virani said.

During questioning Virani confirmed that none of the bruises he found on the child were inflicted by CPR.

Virani said the cause of Nickolas Crowell's death was blunt force abdominal trauma, and he estimated the time of death to be between 11 a.m. and noon. He used the autopsy to determine the cause of death. To determine the time of death he used information from police about when the child was last seen alive, when he was discovered dead and the condition of the child's body.

Allen wheeled the baby's crib in front of the jury. With Virani's help, he demonstrated the kind of blow Virani said could cause such blunt force trauma. But when Manley questioned Virani, Virani agreed there may be a hundred other possible ways the child could have sustained such an injury. A punch to the abdomen wasn't the only possible cause.

The prosecution's case ended with Corrections Officer Kurt Kelly testifying. He identified Smith in some rather emotional and telling recorded phone calls from the Huron County Jail.

The calls were played for the jury, and some jurors at times were teary-eyed. The calls were between Smith and his father, Smith and his mother and brother, Smith and his son and Smith and Crowell's mother, Ashley Walls, in which Smith can be heard telling Walls "I didn't do nothing ... I didn't do nothing to that little boy, I loved him."

Gaertner described the calls as "compelling, frightening and sad" as Smith seemed to be most concerned

with who Wall's was dating, his money and belongings Walls had, getting out of jail and his own son.

Bond for Smith was canceled Thursday. He will remain in the Huron County Jail until the time of sentencing.

Thursday, September 27, 2007

Hearing for Eastpointe dad accused of abusing 5-week old daughter delayed

The Detroit News

EASTPOINTE -- The pretrial hearing in Macomb Circuit Court for a 20-year-old Eastpointe man charged with first-degree child abuse was adjourned Thursday to allow attorneys to receive additional medical records and reports.

Ted Wieckhorst is jailed on a \$30,000 bond on charges that he critically abused his 5-week-old daughter Dec. 14, causing a skull fracture, internal bleeding and a cut lip. He is due back in court on Nov. 1.

09/27/2007

Workshops for childcare and relative care providers/aides offered by MSU Extension

The Huron Daily Tribune

UPPER THUMB

-Workshops for childcare and relative care providers/aides offered by MSU Extension.

Workshops for childcare providers are being offered through MSU Extension in Huron and Sanilac Counties. Better Kid Care workshops are part of a statewide childcare provider training series presented by MSU Extension, Penn State University and the Department of Human Services. These free workshops are designed to enhance the skills of child care providers by giving them the knowledge they need about appropriate child care practices.

Huron County trainings begin with a two-hour training on Child Abuse and Neglect for Mandated Reporters on Oct. 1. Four, two-hour sessions, on Oct. 23 and Nov. 20 at 5 and 7 p.m. will cover the following topics: Fighting Children's Obesity through Active Play; and Obese Kids, They are What they Eat, How to turn Good Play into Great Play; and Keeping Children Safe and Healthy. A Dec. 6, three-hour workshop, will explore Conflict Resolution with Young Children.

Registration is required for all workshops that are being conducted at the Huron Expo Center, 107 W. Soper Rd, Bad Axe. To register or for questions on any training opportunity, please call MSU Extension-Huron County at (989) 269.9949. Four two-hour sessions are scheduled at Sanilac MSU Extension, 37 Austin St. in Sandusky. The trainings on Oct. 25 and Nov. 29 at 5 p.m. and 7 p.m. will explore: How to Turn Good Play into Great Play; and Dealing with Anger-the Children's and Yours. November topics include: Problem Solving with Children; and The Art & Science of Playing with Young Children. A Dec. 13, three-hour workshop, will explore Conflict Resolution with Young Children. All question and registrations for Sanilac County classes should be directed to Gail Innis at (810) 648.2515.

An 18 hour class series for relative care providers and day care aides in Huron, St. Clair and Sanilac counties will be offered in Sandusky on Oct. 30 and Nov. 1 from 1 to 4 p.m., and Nov. 2 and 3 from 9 a.m. to 3 p.m. Participants in this series must attend all four classes and register with Sanilac MSUE at (810) 648-2515. Attendees at the series may be eligible for a \$150 incentive and will receive training and certification in CPR.

Three on-line training classes in Safe Sleep & SIDS, Shaken Baby, and Literacy are available by accessing the Better Kid Care website at www.fcs.msue.msu.edu/bkc. Video check-out libraries are housed in Huron and Sanilac Counties at the MSU Extension offices. Two hour training videos count toward training hours and CEU attainment for all licensed child care providers, relative providers and day care aides. Please call the MSU Extension office at (989) 269-9949, Huron County or (810) 648-2515, Sanilac, with any questions.

Alpena News

September 28, 2007

Editorial: LaCross and Juvenile Court sets a good example fiscally

Fiscal responsibility in public government almost seems like an oxymoron these days, but not so at the Alpena County Juvenile Court.

There, under the direction of Judge Tom LaCross, \$75,000 of unused funding was returned to the county this week.

“We are very frugal with the state and the county’s money” LaCross told commissioners.

We appreciate that frugality and we’re sure commissioners could only wish other departments would be equally as thrifty.

When you think how easy it would have been for LaCross and his staff to have found creative ways to spend the excess funds, it is a testament to them that they refrained. After all, LaCross is in his first year in this position and we’ve seen other public officials, upon taking a new office, not worry about spending money to redecorate and reorganize that office.

We appreciate the attention to financial details LaCross and his staff displayed.

[Print Page](#)

Man arrested for assault

Thursday, September 27, 2007 11:47 AM EDT

Dowagiac Police Chief Tom Atkinson reports his officers arrested a male suspect on Wednesday, Sept. 26, at approximately 10:15 a.m. for assault and several warrants.

City police were dispatched to Vineyard Place Apartments for an assault that occurred there.

The male suspect fled the area on foot prior to police arriving at the complex.

Police began to search for the suspect, who was located behind the Riverside Apartments complex.

The male suspect fled on foot upon seeing officers and Dowagiac police began chasing the suspect.

The suspect ran west from the Riverside Apartments complex into an abandoned gravel pit located near Gideon and Lincoln streets.

The suspect was then caught by police and taken into custody.

Dowagiac police arrested the 24-year-old Dowagiac resident for domestic violence, unlawful entry, two outstanding warrants for failure to pay child support and an outstanding warrant for parental kidnapping.

The suspect was lodged at Cass County Jail pending his arraignment in Fourth District Court, Cassopolis.

Police withheld the name of the suspect pending his arraignment.

SHELBY TWP.

Stony Creek run to honor memory of Tara Grant

September 28, 2007

BY AMBER HUNT

FREE PRESS STAFF WRITER

Tara Grant's family is grateful so many people have donated money to the slain woman's two children.

Now they hope people will fight what is suspected of killing her.

Advertisement

The first Tara Grant Memorial 5K Run/2K Walk is to begin at 10 a.m. Sunday at the Oakgrove picnic area of Shelby Township's Stony Creek Metropark.

Money raised will go to the Tara Grant Liberation Fund, established to raise domestic violence awareness.

Grant was strangled and dismembered in February. Her husband, Stephen Grant, faces a first-degree murder charge in the slaying.

A trust fund to raise money for the Grant children's future college costs received thousands of dollars. But the liberation fund hasn't fared as well.

"People are more passionate about giving to children than they are about giving to something that might not directly affect them," said Alicia Standerfer, Tara Grant's sister.

Standerfer said she wants to keep her sister's name alive and spread awareness.

Organizers hope to make the run/walk an annual event, said Jaime Lownsbery, director of fund development with Macomb County's Turning Point Inc.

The agency provides programs and resources linked to domestic violence issues.

"Tara really loved Stony Creek, so we thought, what better place?" Lownsbery said.

So far, about 25 people have registered to take part in the 5-kilometer run. Another 85 people are to participate in the 2-kilometer walk.

Contact **AMBER HUNT** at 586-469-4682 or alhunt@freepress.com.

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Congress votes to add 4 million children to health care program, veto fight with Bush looms

KEVIN FREKING
Associated Press Writer

September 28, 2007

WASHINGTON — Congress approved legislation Thursday that would potentially add 4 million children to a popular health care program, setting up a veto fight that President Bush probably will win but handing Democrats a campaign issue for next year's elections.

Eighteen Republicans in the Senate lined up with Democrats in voting 67-29 to increase spending on the State Children's Health Insurance Program, or SCHIP, from about \$5 billion to \$12 billion annually for the next five years.

The vote was enough to override a promised Bush veto. But supporters in the House, which passed the bill Tuesday, are about two dozen votes shy of an override. Both chambers would have to muster two-thirds majorities to win a veto showdown.

Overall, spending for SCHIP would increase to \$60 billion over five years in the unlikely prospect the bill becomes law — double what President Bush recommended.

Analysts projected the legislation would allow about 4 million of the estimated 9 million uninsured children in the United States to gain coverage.

Bush and most GOP lawmakers say the spending increase is too large and would expand the program beyond its original intent. That intent was to help families with incomes too large to qualify for Medicaid but not enough to afford private insurance.

In a statement after the Senate vote, the White House said Bush "will veto this bill because it directs scarce funding to higher incomes at the expense of poor families."

Opponents of the measure said they support SCHIP, which was enacted a decade ago, and want to renew it before it is set to expire on Saturday. However, they said they could not go along with such a large spending increase.

Republicans braced for criticism that they were being insensitive to low-income children who are uninsured through no fault of their own. They said the legislation was an effort to score political points and another step toward universal health care paid for by the government.

"Democrats are counting down the hours so they can tee up the election ads saying Republicans don't like kids," said Senate Minority Leader Mitch McConnell, R-Ky. "Meanwhile, they're using SCHIP as a Trojan horse to sneak government-run health care into the states."

Democrats said there was strong public support for expanding the children's health care program. They portrayed the president as isolated in his view that the legislation would be a mistake.

"With each passing day, he reveals ever more clearly that the values of his administration are out of touch with those of average Americans," said Sen. Edward M. Kennedy, D-Mass.

Some Republicans joined in that criticism.

"I just don't understand his decision, and I think it would be a terrible mistake," said Sen. Susan Collins, R-Maine.

Sen. Charles Grassley, R-Iowa, said complaints about the bill bordered on hysteria, particularly complaints that the bill would expand government-subsidized coverage to families of four with incomes of up to \$83,000.

"This is not a government takeover of health care. This is not socialized or nationalized medicine or anything like that," Grassley said. "This is not bringing the Canadian health care system to America."

The additional spending would be paid for through a 61-cent increase in the federal excise tax on a pack of cigarettes.

Sen. Gordon Smith, R-Ore., said the tax could end up lowering future health care costs if it reduces smoking rates.

"Discourage smoking and you connect the habit with all the public health care costs that it imposes," he said.

But Sen. Jim Bunning, R-Ky., said the tax increase could lead to a drop in revenue to states that also rely on tobacco taxes. Those states would be compelled to increase tobacco taxes also to avert revenue shortfalls. The resulting price increase would force some smokers to the black market, he said.

After the vote, supporters of the bill said they believed it would be in the president's best interest politically to sign the bill.

"The polls on this are overwhelming," said Sen. Max Baucus, D-Mont.

Opponents argued during the debate that expanding the program too much would lead to many families dropping private coverage. The Congressional Budget Office has projected that about 2 million children who otherwise would have private insurance would join SCHIP.

Anticipating a veto, Congress will continue funding SCHIP at its current level until mid-November as part of another bill keeping federal agencies in operating funds beyond Sept. 30.

The bill is HR 976.

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UAW agreement could affect Michigan's Medicaid program

9/27/2007, 6:22 p.m. ET

By **KEN THOMAS**
The Associated Press

WASHINGTON (AP) — Michigan, in an unintended consequence of a critical labor agreement between the United Auto Workers and General Motors, could lose hundreds of millions of dollars in Medicaid funding, state officials said Thursday.

The state could lose about \$400 million over three years in federal assistance to its Medicaid program, which could affect health services to the state's poor, disabled and elderly.

State officials said it was unclear if the federal government would reduce its contribution as a result of the UAW deal, but noted there is precedence. In 2003, General Motors Corp. made a \$16 billion contribution to retirees' underfunded pension fund, which led to the state losing \$120 to \$160 million in federal Medicaid funding over a three-year period.

As part of the labor deal announced Wednesday, GM is expected to contribute about \$35 billion to help create a Voluntary Employees' Beneficiary Association, or VEBA, for retiree health care benefits.

Ford Motor Co. and Chrysler LLC, which are still in negotiations with the UAW on the agreement, also are expected to make large payments to the trust fund under the deal.

As a result of the massive payments, federal officials could take those funds into account in calculating Michigan's per-capita annual income, which is a key factor in a formula that determines the federal Medicaid match for each state.

The auto industry's contributions to the health care trust fund would make the state's personal income appear higher than it actually is and lead to the federal government reducing its contribution to the state's Medicaid program beginning in 2011, officials said.

Under that scenario, the reduced payments would last through 2013, depending on when the auto companies made their payments into the VEBA.

Mary Kahn, a spokeswoman for the Centers for Medicare & Medicaid Services, said it was unclear how the UAW labor deal would affect Michigan's Medicaid funding but noted that any changes to the funding formula would need to be made by Congress.

"We are looking into this issue, but we do not yet have a definitive answer," Kahn said.

Sen. Debbie Stabenow, D-Mich., said she was optimistic that the state could find a legislative fix through the children's health insurance bill being considered by Congress on Thursday or through other means.

"There is absolutely no reason why the state should have any financial impact from this agreement," Stabenow said.

Stabenow and others noted that the bill to expand the popular children's health insurance program, called SCHIP, included a provision that responded to the GM pension payment in 2003. It would change the way the matching fund formula is calculated in cases where large payments are made to employee pensions and insurance funds to comply with new accounting rules.

It was unclear if the adjustments also could apply to a health care trust fund similar to the one expected to be established by the UAW, Stabenow said. The bill faces a veto threat from President Bush, but the senator said clarifying language could be added to a future children's health bill or the issue could be addressed in a Medicare reform bill expected later this year.

While several years away, the cut in Medicaid funding could cause more problems at the state level, where Gov. Jennifer Granholm and legislators are trying to fix a projected \$1.75 billion shortfall and contemplating

a partial state government shutdown.

Michigan's Medicaid program pays about \$9 billion a year to provide health care for about 1.55 million people who are low-income, elderly or disabled. It is run by Michigan's Department of Community Health.

Dan Beattie, director of Michigan's office in Washington, said they would work with federal agencies to "determine any impact this agreement will have on our per capita income calculations and our Medicaid financing."

"If there is a negative financial impact, we plan on exploring every available option to correct it," he said.

On the Net:

Centers for Medicare & Medicaid Services: <http://www.cms.hhs.gov/>

Michigan Department of Community Health: <http://www.michigan.gov/mdch>

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Friday, September 28, 2007

Editorial

Don't punish states for health care solution Fix federal formula that counts benefit trust funds as income

The Detroit News

General Motors Corp. and the United Auto Workers crafted a savvy solution to bring health insurance costs under control. The state of Michigan shouldn't be penalized for their innovation.

Under current law, the federal government's share of payments for Medicaid -- the joint state-federal health insurance program for the poor -- will shrink by hundreds of millions of dollars for Michigan because of the transfer of health care obligations and funds from GM to a Voluntary Employees Beneficiary Association (VEBA) for UAW workers. This has to be fixed by Congress.

Thanks to a complex federal government formula, the money used to create health care and pension funds is credited as per-capita income.

The higher a state's average income, the lower the Medicaid reimbursement rate.

Michigan was hit by this once already when GM contributed \$16 billion to its retirees' under-funded pension fund. The state lost \$175 million in Medicaid funding.

A \$60 billion VEBA would likely be near the amount contributed to a single fund for Ford and Chrysler as well as GM if the pact is repeated throughout the domestic auto industry. This would result in a loss of about \$360 million a year in federal funds for three years, says Bob Daddow, deputy Oakland County executive for special projects.

His estimates are confirmed by Paul Reinhart, Michigan's Medicaid director.

"It could cripple the program," he told The News in regard to the financial impact the VEBA could have.

But it doesn't have to, and the federal government should act quickly to ensure that it doesn't. A fix is needed in the calculation of income that would

exclude VEBA payments. This is a shift of dollars from one account to another and no new income added to the pockets of workers or beneficiaries.

GM's entrance into the VEBA market will undoubtedly get others to look into it, too, says Lance Wallach, a consultant in New York. Though the accounts are not good for everyone, Wallach says they can provide certainty for beneficiaries and financial stability to some companies.

The federal government should be encouraging such creative solutions, not penalizing them. Congress should change the formula so Medicaid recipients aren't hurt when businesses do the right thing for their retirees.

Friday, September 28, 2007



Clarence Tabb Jr. The Detroit News

Donald Robinson put his wife, Virginia, in a nursing home two years ago after taking care of her for 14 years.

State to recoup Medicaid costs

Granholm expected to sign bill ending exemption for homes owned by deceased nursing home patients.

Kim Kozlowski / The Detroit News



Clarence Tabb Jr. / The Detroit News

Virginia Robinson qualified for Medicaid, allowing her to afford the \$5,000 monthly cost of nursing home care.

Michigan officials will soon go after the homes of deceased senior citizens who relied on state assistance for their nursing home care, following passage of a controversial bill Thursday by the state Senate.

Gov. Jennifer Granholm is expected to sign the estate recovery bill, which requires the Department of Community Health to develop a program within six months to recoup costs paid by the state for people who lived in nursing homes or received in-home services paid for by Medicaid prior to their death.

Medicaid is a federal-state health insurance program that pays for long-term care of the elderly and disabled when they deplete their assets to \$2,000. Homes are currently exempt, but that is expected to change when the bill is sent to Granholm. It would make Michigan the last state in the nation to pass estate recovery initiatives required by federal law.

Lawmakers took up the bill in the midst of a possible government shutdown after Community Health Department Director Janet Olszewski wrote senators a letter earlier

this month, explaining that federal officials threatened to cut off \$5 billion in annual Medicaid payments if the state was not in compliance by Sept. 30. The Medicaid budget is \$8.6 billion, meaning more than half of the program was at stake.

"Time is now of the essence and action by the Legislature is critical in maintaining supports and services provided by the state Medicaid program," Olszewski wrote.

Advocates were relieved, saying that 70 percent of the 42,000 seniors living in Michigan's 400 nursing homes rely on Medicaid to pay for their care. The loss of \$5 billion in federal funding would cripple services to the state's most vulnerable citizens, said Melissa Samuel, vice president of Legislative Services for the Health Care Association of Michigan, which represents nursing homes and other long-term care providers.

"We couldn't continue," Samuel said. "When you are talking cuts of that size, you are going to have a direct impact on the care to residents."

But opponents, who have fought estate recovery in Michigan for four years, say the state will not recoup much funding from families. In 2004, estate recovery collections nationwide netted \$361 million of the \$45.8 billion in Medicaid funds spent on nursing home care, or about 7 percent, according to the Kaiser Family Foundation.

"It's not even worth it," said Don L. Rosenberg, a Troy-based elder law attorney and chair-elect of the of Alzheimer's Association Greater Michigan Chapter. "Estate recovery is bad public policy."

Opponents also say it unfairly impacts families of modest means. Because nursing home care is so expensive -- costing between \$40,000 and \$75,000 annually -- moderate-income families can quickly deplete their assets paying for care.

Ferndale resident Donald Robison, an unemployed autoworker, thinks the bill is unfair to families.

"You work your whole life for a house, get it paid for and you shouldn't be punished just because one of the members of your family gets sick. It's not like you plan it," said Robinson, who had to put his 58-year-old wife, Virginia, in a nursing home two years ago after he was no longer able to take care of her multiple sclerosis at home. Robinson wouldn't have been able to afford the \$5,000 monthly costs if she hadn't qualified for Medicaid.

Though Michigan seniors relying on Medicaid to pay their long-term care costs make up a small portion of the 1.6 million Medicaid population, their care consumes 25 percent of the budget, according to Paul Reinhart, Michigan's Medicaid director.

And those figures are expected to swell as baby boomers age.

Michigan's population subject to estate recovery will grow to about 40,500 in 2010, 49,000 in 2020, and 61,000 in 2030, Reinhart said.

Under the estate recovery bill, nursing home residents currently relying on Medicaid would be exempt, according to Sanford J. Mall, chair of the Elder Law & Disability Rights Section State Bar of Michigan.

Exemptions from the bill include homes occupied by spouses, minor children or disabled relatives of the Medicaid patients.

Individuals may also apply for a hardship exemption.

The legislation also requires review options for developing a voluntary estate preservation program, which could function as an insurance policy for those who want to pay into it and avoid estate recovery.



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Mich. to recoup costs from estates of Medicaid recipients

Midday update

Associated Press

The state soon will recoup costs from the estates of Medicaid recipients after they die under legislation Gov. Jennifer Granholm plans to sign.

The state Senate today voted 25-13 to send the measure to Granholm's desk.

Federal law requires states to try and recoup costs against Medicaid recipients who die still owning assets such as a house. It primarily affects seniors whose nursing home bills - which can be expensive - are paid by Medicaid, the federal-state health care program for the poor and disabled.

Under the legislation, state officials could not place a lien on the home of a Medicaid recipient if the person's spouse, child or sibling still lives in the home, provided certain conditions are met.

Michigan is the only state that has not implemented estate recovery in some form. Not complying could put the state at risk of losing \$4.9 billion in federal money included in Michigan's Medicaid program, according to the Senate Fiscal Agency, which estimates the state's Medicaid program could gain \$10 million a year once the new law is in place.

The House approved the measure Wednesday, 57-52.

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KALAMAZOO GAZETTE

Street Sleepers to raise funds for homeless

Friday, September 28, 2007

Gazette Staff Reports

PLAINWELL -- Youths involved with a regional ecumenical group plan to raise funds for homeless programs by bringing cardboard boxes and staying overnight in a parking lot at the paper mill.

Plainwell City Council members agreed that United 4 Youth could stage the third annual Street Sleepers fundraising event in a lot at the Plainwell Paper mill complex. About 100 middle school and high school students from area churches are expected to participate in the 12-hour event, which starts at 6 p.m. Oct. 20.

“This event is about raising awareness of the homeless plight and raising funds to help,” United 4 Youth spokeswoman Joy Livingston said. “The mill site offers a great atmosphere for the participating youth and offers visibility to help educate others about the issue.”

The group held its first two Street Sleepers events at Otsego United Methodist Church, but construction work makes it impossible to use the parking lots there this year, Livingston said.

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Forum: Senators can help bolster Food Stamp Program

By Kathy Hart

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Like everything in Harbor Springs, emergency food relief tends to be seasonal. In a typical summer, when the tourism season is at its peak, The Manna Food Project pantry serves fewer meals to hungry families and individuals. That didn't happen this summer. Our own pantry, and all the pantries we serve, stayed quite busy.

It is a grim reflection of our state economy. Three years ago, our own pantry would serve 20 to 25 families per week. Today we serve anywhere from 60 to 90 families, and we distribute another 25 to 30 food boxes at a clinic. And it isn't even winter yet.

Clearly, hunger is an increasingly serious problem in our area. Part of the problem is that, as a result of cuts made in the 1990s, food stamp benefits no longer keep up with inflation. That's why it is vital that Congress strengthen the Food Stamp Program, our nation's first line of defense against hunger, as part of the 2007 Farm Bill. The House passed its version months ago, approving \$4 billion more for the Food Stamp Program over five years. The Senate is taking up the bill now.

For a typical working parent in Michigan with two children, the food stamp benefit today buys \$24 less per month than in 1995. As a result, food stamps are enough to help a typical household feed its members, but not enough to feed them food that is nutritious and healthy. The House bill would raise benefits for everyone, and would particularly help parents who have to pay high child care costs.

In our pantries, we see a lot of working poor people. They earn enough to bring their income above the traditional food stamp eligibility level, but by the time they've paid for gas and child care, they can't afford to both pay rent and buy food.

Michigan took a state option to help these families. Because the U.S. House bill preserves this state flexibility, it would let Michigan continue to provide food stamps to families with high working expenses.

Most people in our area are generous, concerned citizens who understand that many people are having a tough time in this rough economy and want to help any way they can. Their generosity keeps our food bank and food pantries operating. But our system is supposed to be for emergencies.

The Senate has an opportunity to strengthen the Food Stamp Program so fewer people will need our help. Three simple improvements would go a long way: Index the standard deduction so it will go up with inflation; give more to working families with high child care expenses; and raise the minimum benefit that many elderly and disabled people get, which has been stuck at \$10 per month for 30 years.

Sen. Debbie Stabenow, as a member of the Agriculture Committee, is perfectly positioned to make sure this happens. I am urging Sens. Carl Levin and Stabenow to support the House bill's enhancements to the Food Stamp Program.

About the author

Kathy Hart is executive director of The Manna Food Project in Harbor Springs, a food bank serving 38 food pantries and agencies in Emmet, Charlevoix and Antrim counties and helping them feed more than 9,000 people per month. A food pantry provides meals for an additional 1,100 people per month. She has worked in a variety of food service settings in her professional career.

About the forum

The forum is a periodic column of opinion written by Record-Eagle readers in their areas of interest or expertise. Submissions of 500 words or less may be made by e-mailing letters@record-eagle.com. Please include biographical information and a photo.

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LIHEAP to get federal money

Friday, September 28, 2007

By Christina Hildreth

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After months of dreary funding news, local human-service providers got a boost this week as the U.S. Department of Health and Human Services announced it will release \$5.8 million to Michigan under the Low Income Home Energy Assistance Program, or LIHEAP.

Help for low-income families having trouble with utility bills has dried up in Jackson County. What little private money was available quickly ran out at the beginning of September. The state Department of Human Services stopped issuing emergency-relief payments Aug. 24 due to lack of funds.

It's unclear how much of the \$5.8 million will trickle down to Jackson County, said Marsha Kreucher, chief executive of Community Action Agency of Jackson, Hillsdale and Lenawee counties. Kreucher's agency has often received a portion of LIHEAP allocations in the past.

Local agency leaders said they were unsure when funds would become available. DHS spokeswoman Maureen Sorbet said the funding would arrive too late to be used for the current fiscal year and thus would not be distributed until after Oct. 1.

Michigan politicians at state and federal levels have been pressing for President Bush to release the funding for several months. All 50 states received at least some emergency money under LIHEAP, costing the federal government \$131 million. About 5.6 million households across the nation receive LIHEAP funding.

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